

To FCC Commissioners Genachowski, Clyburn and McDowell:

Assistant Police Commissioner accuses Rupert Murdoch's News Corporation of Bribery and widespread Corruption at Leveson Inquiry.

Inquiry told of corrupt culture at Murdoch tabloid

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<http://www.ft.com/cms/s/0/c53a70cc−613d−11e1−a738−00144feabdc0.html#ixzz1ndDml4Yw>

The Sun newspaper had a culture of corrupt payments to a network of public officials which was authorised at a senior level, the police officer leading an investigation into bribery by journalists at Rupert Murdoch's British Newspapers told an inquiry into press standards on Monday.

Deputy Assistant Commissioner Sue Akers said evidence laid before her detectives showed that payments were 'frequent, regular and on occasion significant sums of money were involved'.

'Culture Of Illegal Payments At The Sun'

<http://uk.news.yahoo.com/leveson−inquiry−corrupt−officials−uncovered−113909657.html>

The official confirmation of such widespread payments could heighten News Corp's legal exposure in the US, said Michael Koehler, a Butler University professor specialising in the Foreign Corrupt Practices Act.

One source was paid £80,000 over a period of years, while one journalist channelled more than £150,000 to various sources over time. Ms Akers said that the 'vast majority' of the stories written from the information obtained by corrupt payments were 'what I would describe as salacious gossip', not articles written in the public interest.

She told the inquiry her officers had seen evidence of open discussions about payments to public officials, including healthcare workers, prison officers and the police, adding: 'There is also an indication of tradecraft, ie hiding cash payments to sources by making them to a friend or relative of the source.'

The evidence was given a day after Mr Murdoch launched the Sun on Sunday to fill a gap left

since the closure in August of the News of the World. Reporters and executives within The Sun have told the Financial Times that the Sunday edition had been produced in a hurry.

Martin Moore, director of the Media Standards Trust, said that he considered it unlikely Mr Murdoch would have been able to launch a new edition of The Sun after Ms Akers had given her evidence.

Mr Murdoch said in a statement: "As I've made very clear, we have vowed to do everything we can to get to the bottom of prior wrongdoings in order to set us on the right path for the future ... The practices Sue Akers described at the Leveson inquiry are ones of the past and no longer exist at The Sun."

Harry Clark, co-head of Dewey & LeBoeuf's international trade practice in Washington, warned that the day's revelations could heighten the risk to News Corp, Mr Murdoch's US company, under the Foreign Corrupt Practices Act.

"News Corp already had a big problem here. This simply pushes it in an adverse direction," he told the FT. An FCPA enforcement action might expose News Corp to tens of millions of dollars in fines, he estimated, but any such action or any attempt by News Corp to settle with the US Department of Justice might not happen for months while UK investigations proceed.

Earlier on Monday, Sir Brian Leveson, the judge presiding over the inquiry, responded to comments by Michael Gove, the education secretary and former Times journalist, who said the inquiry could have a "chilling effect" on journalism.

The judge said the inquiry was only doing what the prime minister had asked of it. Without naming Mr Gove, he said: "Publicly to express concern about the direction of the inquiry when it is doing no more than follow its mandated terms of reference is itself somewhat troubling."

The inquiry heard separately that a woman described as RW "probably Rebekah Wade, now Brooks" then editor of The Sun and later chief executive of Mr Murdoch's News International, was given a detailed briefing of a police investigation into phone hacking at the News of the World by a senior detective shortly after one of its reporters was arrested.

Before the Leveson inquiry, no details of this briefing had been known or published outside NI.

In September 2006, it appears Ms Brooks reported to other senior executives at NI that Glenn Mulcaire, a private investigator who had hacked hundreds of mobile phones, had been paid more than £1m over a period years by the News of the World.

A memo based on the briefing and written by Tom Crone, the legal manager of the News of the World, to Andy Coulson, then editor of the tabloid and later director of communications to the prime minister, was read to the inquiry.

It showed that NI knew that the phones of hundreds of people had been hacked and that the police were actively looking for evidence of other journalists who had directly done the hacking themselves.

The police wanted to show how wide the hacking by Mulcaire went, but did not make it clear they wanted to charge more than one reporter, Clive Goodman, the royal editor.

NI went on claiming that only Goodman and Mulcaire had hacked phones for four years after their conviction at the Old Bailey in January 2007.

Robert Jay QC, counsel for the inquiry, said that the police had, arguably, a much too cosy relationship with the press, including NI, and quoted Lord Blair, a former Metropolitan Police commissioner, as saying that senior officers did so in order to enhance their own reputations.

The next few weeks of the Leveson inquiry will look into the relations between press and police. Mr Jay said that in the original inquiry, there were many questions to answer about why the Met had decided to limit the scope of its inquiry, warning only eight hacking victims when it knew there were at least 200. Subsequently, that number has reached at least 829, with the possibility of thousands more.

Patrick Garnham QC, for the Met Police, said that it was easy to criticise the police, but at the time it was subject to huge strain on resources because of terrorist threats. Detectives had thought that prosecuting Goodman and Mulcaire would stop others practising phone hacking.

Sir Brian seemed unimpressed, saying he would want to know why the Met did not simply tell NI it knew what was happening and ask what they were going to do about it. He also wanted an explanation as to why the Met not only failed to act when NI repeatedly said phone hacking was the work of a single rogue reporter, but even offered support to the idea, when it knew this was not true.

Additional reporting by Andrew Edgecliffe-Johnson in New York

Regards,

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United States of America